

**Introduced by Senators Steinberg and Alquist**  
(Principal coauthor: Assembly Member Jones)

December 1, 2008

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An act relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 1, as introduced, Steinberg. Health care coverage: children.

Existing law establishes various public programs to provide health care coverage to eligible children, including the Medi-Cal program administered by the State Department of Health Care Services and county welfare agencies, and the Healthy Families Program administered by the Managed Risk Medical Insurance Board.

Existing law creates the County Health Initiative Matching Fund in the State Treasury, administered by the Managed Risk Medical Insurance Board in collaboration with the State Department of Health Care Services, for the purpose of providing matching state funds and local funds received by the fund through intergovernmental transfers to a county agency, a local initiative, or a county organized health system in order to provide health insurance coverage to certain children in low-income households who do not qualify for health care benefits through the Healthy Families Program or Medi-Cal.

This bill would make various findings related to the status of children's health care coverage in the state and would state the intent of the Legislature to, among other things, enact legislation providing all uninsured children living in California access to comprehensive health care coverage that their families can afford.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. (a) The Legislature hereby finds and declares  
2 all of the following:

3     (1) Investing in comprehensive health care coverage for children  
4 is cost effective because children with health care coverage are  
5 healthier, are better able to access needed health care services, and  
6 are at less risk of suffering from preventable illnesses.

7     (2) Health care coverage helps children reach their potential in  
8 school. According to a study conducted by the Managed Risk  
9 Medical Insurance Board, children enrolled in the Healthy Families  
10 Program experienced a 63 percent improvement in paying attention  
11 in class and keeping up with school activities.

12     (3) Although over nine of every 10 children in California have  
13 health care coverage, about 763,000 children in the state are  
14 without health care coverage according to 2005 data from the  
15 Center for Health Policy Research at the University of California  
16 at Los Angeles. Of these children without coverage, almost 60  
17 percent are eligible for either the Healthy Families Program or the  
18 Medi-Cal program.

19     (4) In this economic recession, working California families are  
20 struggling. With the unemployment rate reaching 8.2 percent in  
21 California, more workers are losing their jobs and the health care  
22 coverage associated with those jobs. Now, more than ever, these  
23 families rely on affordable health care coverage programs for their  
24 children.

25     (5) Forty-six percent of Medi-Cal beneficiaries in California  
26 are children.

27     (6) The goal of providing all uninsured children with health  
28 care coverage through California's two statewide programs is  
29 achievable now. With less than 10 percent of all children in need  
30 of health care coverage, the state is close to completing the goal.  
31 However, if the state fails to act now, more children may become  
32 uninsured, resulting in greater costs to the state as the families of  
33 those children turn to emergency rooms for the treatment of  
34 preventable conditions.

35     (7) Local Children's Health Initiatives (CHIs) have provided  
36 health care coverage to over 150,000 children cumulatively since  
37 2001 through locally-operated Healthy Kids programs. Through  
38 their outreach, CHIs have also enrolled hundreds of thousands of

1 eligible children in Healthy Families and Medi-Cal coverage. With  
2 local and private funding, CHIs currently provide local coverage  
3 to 86,000 children who are not currently eligible for state health  
4 care coverage and would otherwise be uninsured. However,  
5 financing for these local care coverage programs is not sustainable.  
6 In fact, nearly 21,000 children are on waiting lists for these CHIs.  
7 A statewide system is required to provide sustainable funding to  
8 ensure that all children in California have access to health care  
9 coverage. If California does not act quickly to provide a statewide  
10 solution for children's health care coverage, children will lose their  
11 access to care.

12 (8) In at least half of the counties in the state, some children  
13 have no access to affordable health care coverage.

14 (9) Congress and the incoming administration have set  
15 addressing health care as a priority, which presents new  
16 opportunities for California to weave federal and state efforts  
17 together to finish the job for children.

18 (b) It is the intent of the Legislature to enact legislation that  
19 does all of the following:

20 (1) Establishes a fund to protect existing state health insurance  
21 for children and to phase in a statewide health care coverage system  
22 for all children. It is the intent of the Legislature that this fund  
23 include private funds, a portion of federal Medicaid relief funds  
24 provided to California, and other federal funds made newly  
25 available to California for the purpose of children's health care.

26 (2) Prevents more children from becoming uninsured by  
27 preserving Healthy Families and Medi-Cal coverage for children  
28 currently enrolled in those programs and keeping the doors to that  
29 coverage open for new enrollees.

30 (3) Provides all uninsured children living in California, from  
31 birth to 18 years of age, access to comprehensive health care  
32 coverage that their families can afford.

33 (4) Establishes, in a timely manner, a statewide system to  
34 prevent children covered by CHIs from losing that coverage.

35 (5) Builds upon the successful outreach and enrollment strategies  
36 of the Healthy Families Program, the Medi-Cal program, and CHIs,  
37 and improves state insurance programs' operations to enroll all  
38 eligible children, including modernizing and simplifying the  
39 enrollment and renewal processes.

- 1     (6) Provides for a smooth transition to a statewide health care
- 2 coverage system for all children.
- 3     (7) Ensures a plan for sustainable financing that supports the
- 4 statewide programs over the long term, including maximizing
- 5 federal funding for those programs.